

Message Text

LIMITED OFFICIAL USE

PAGE 01 ISLAMA 04950 140258Z

ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 COME-00 TRSE-00 AID-05
CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03 NSAE-00
NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 OPIC-03
EPG-02 /073 W

-----141208Z 121520 /40

R 131200Z MAY 77

FM AMEMBASSY ISLAMABAD

TO SECSTATE WASHDC 1620

INFO AMCONSUL KARACHI

AMCONSUL LAHORE

LIMITED OFFICIAL USE ISLAMABAD 4950

E.O. 11652: N/A

TAGS: EGEN, PK

SUBJECT: DENATIONALIZATION OF SMALL RICE MILLS

1. THE GOP MAY 11 ANNOUNCED ITS DECISION TO RETURN TO THEIR ORIGINAL OWNERS 1,523 RICE MILLING UNITS, ACCORDING TO AN ANNOUNCEMENT BY THE MINISTER FOR AGRARIAN MANAGEMENT. THE MINISTER SAID THAT LEGISLATION WILL BE INTRODUCED DURING THIS SESSION OF THE NATIONAL ASSEMBLY TO BRING THIS ABOUT. THE OWNERS WILL BE COMPENSATED FOR THE TIME THE GOVERNMENT USED THESE UNITS (SINCE THE NATIONALIZATION LAST JULY 7). THE TOTAL MILLING CAPACITY INVOLVED IS 1.5 MILLION TONS.

2. THE GOVERNMENT WILL RETAIN 549 LARGER RICE MILLING UNITS WITH A CAPACITY OF 1 MILLION TONS PER YEAR OF RICE.

3. THIS WILL LEAVE THE GOVERNMENT WITH ENOUGH MILLING CAPACITY TO SERVICE ITS PRESENT EXPORT NEEDS (700 TO 800,000 TONS) WITH SOME ROOM FOR EXPANSION. REPORTS WE HAD HEARD ABOUT THE POSSIBILITY OF A PARTIAL DENATIONALIZATION INDICATED THAT THE GOVERNMENT WAS INTERESTED IN CONCENTRATING ITS EFFORTS ON
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ISLAMA 04950 140258Z

THE EXPORT SECTOR. THE MILLS NOW BEING RETURNED TO PRIVATE OWNERSHIP WILL SERVICE THE DOMESTIC MARKET.

4. THE GOVERNMENT ANNOUNCED ALSO THAT SPECIFIED GROWERS COULD SELL THEIR RICE EITHER TO THE GOVERNMENT OR TO PRIVATE RICE DEALERS, AS THEY WISHED. GOVERNMENT PURCHASES WOULD BE AT THE GOVERNMENT-SET PROCUREMENT PRICE. ANYONE SELLING TO THE

GOVERNMENT WOULD HAVE THE OPTION OF BUYING BACK 15 PERCENT OF THE PROCESSED RICE (30 PERCENT FOR COARSE RICE) TO RESELL OR FOR HIS OWN CONSUMPTION.

5. COMMENT: STATEMENTS IN THE PAST 2 MONTHS BY BOTH THE PRIME MINISTER AND THE FINANCE MINISTER HAD INDICATED THAT A PARTIAL DENATIONALIZATION OF THE RICE MILLS WAS UNDER SERIOUS CONSIDERATION. THE PRINCIPAL IMPETUS FOR THE MOVE WAS A WIDESPREAD RECOGNITION THAT THERE WERE TOO MANY RICE MILLS, AND TOO MANY SMALL ONES, FOR THE GOVERNMENT TO BE ABLE TO RUN THEM EFFECTIVELY. THERE HAD ALSO BEEN A LOT OF COMPLAINTS FROM RICE GROWING AREAS ABOUT THE EFFECTS OF LAST SUMMER'S NATIONALIZATION.

6. ECONOMICALLY THIS MOVE IS LIKELY TO IMPROVE THE SITUATION PREVAILING SINCE LAST JULY. IN MORE NORMAL TIMES, IT MIGHT ALSO HAVE BEEN VIEWED AS A SIGNAL BY GOVERNMENT OF A MORE PRO-PRIVATE SECTOR STANCE. THIS IS PROBABLY NO LONGER SO SINCE THE ISSUE HAS SEEMINGLY BEEN OVERTAKEN IF NOT SUBMERGED BY THE OVERALL POLITICAL DISRUPTIONS FOLLOWING THE MARCH 10 ELECTIONS.
AMSTUTZ

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RICE, AGRICULTURAL PRODUCTION, NATIONALIZATION
Control Number: n/a
Copy: SINGLE
Sent Date: 13-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977ISLAMA04950
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770170-1190
Format: TEL
From: ISLAMABAD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770563/aaaacbna.tel
Line Count: 82
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 3e793895-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2539993
Secure: OPEN
Status: NATIVE
Subject: DENATIONALIZATION OF SMALL RICE MILLS
TAGS: EGEN, PK
To: STATE
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/3e793895-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009